



Norman H. Bangertter  
Governor  
Dee C. Hansen  
Executive Director  
Dianne R. Nielson, Ph.D.  
Division Director

# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
801-538-5340

DOGM  
MINERALS PROGRAM  
FILE COPY

October 2, 1989

Mr. Grant A. Pinkerton  
General Manager  
North Lily Mining Company  
P. O. Box  
Eureka, Utah 84628

Dear Mr. Pinkerton:

Re: Partial Approval of Heap Leach Permit Amendment, North Lily Mining Company,  
Tintic Project, M/023/007, Juab County, Utah.

The Division has completed its initial review of your permit amendment application for the Tintic Project, near Eureka, Utah. The proposal will expand the current heap leach pad by another 189,200 square feet. The new pad area will be constructed immediately to the south and contiguous with the existing pad. The operator will transport and leach the old Mammoth Dump tailings on the heap once the new facility is constructed.

The application is conceptually complete and appears to be technically adequate. The reclamation surety estimate is currently under review and should be completed within the week. It is the Division's understanding that the proposal has been conceptually accepted by the Utah Department of State Health. However, their construction approval is still pending. In order for the operator to complete the new heap construction before the onset of winter freezing conditions, it will be necessary to initiate site preparation work as soon as possible.

The Division currently holds a \$115,000 certificate of deposit for the Tintic Project. The operator has commenced contemporaneous reclamation on the area from which the initial tailings were obtained. This effectively decreases the reclamation liability for the existing project. Consequently, the Division will grant partial approval to commence initial site preparation work, pending finalization of the reclamation surety and issuance of State Health approval.

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The following site preparation work is permitted under this partial approval:

1. Vegetation removal, topsoil stripping and stockpiling activities.
2. Preliminary cut and fill work.
3. Construction of required berms and surface water diversion ditches.

Actual construction of the heap facility cannot commence until the reclamation surety arrangements have been finalized and State Health has issued its construction permit. Thank you for your cooperation in completing this permitting action. We will contact you as soon as possible regarding the adequacy of the reclamation surety estimate. Please contact us should you have any questions or concerns regarding the content of this letter.

Sincerely,



Lowell P. Braxton  
Associate Director, Mining

jb  
cc: Don Ostler, BWPC  
Wayne Hedberg  
MN31/92-93